

**“Persistent Patterns and Industry Changes:
Mortgage Lending Disparities in Greater Boston”**

Testimony before the

**House Financial Services Committee
U. S. House of Representatives**

**Field Hearing
Boston, Massachusetts
October 15, 2007**

by

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Chairman Frank, Representative Capuano, and other members of the Committee, I want to thank you for holding this field hearing in Boston today, and for the opportunity to share with you some of the results of my research into patterns of mortgage lending in Boston, Greater Boston, and Massachusetts. My name is Jim Campen and I am the Executive Director of Americans for Fairness in Lending (AFFIL), a position that I assumed on October 1. AFFIL is a non-profit organization working to end predatory lending practices, provide information to help consumers, educate policymakers about the need for reform, and demand action to assist debt-burdened Americans. AFFIL was created by and works with its Partners, seventeen national and regional consumer and grassroots organizations including ACORN, Center for Responsible Lending, Consumer Federation of America, Consumers Union, National Consumer Law Center, and twelve others.¹ AFFIL's goal is to establish fair lending principles, practices, and regulations that will build and preserve individual and community assets.

I am also Professor Emeritus of Economics at UMass/Boston where I taught for 27 years, and am currently a Senior Research Associate of the Mauricio Gaston Institute for Latino Community Development and Public Policy at UMass/Boston. For the past fifteen years, much of my research has focused on patterns of mortgage lending. The products of this research have included two series of annual reports on mortgage lending in the Greater Boston area prepared for the Massachusetts Community & Banking Council (MCBC). The most recent reports in these series are *Changing Patterns XIII: Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Boston, Greater Boston, and Massachusetts, 1990-2005* and *Borrowing Trouble VII: High-Cost Mortgage Lending in Boston, Greater Boston and Massachusetts, 2007*.² I am also a member of Boards of Directors of the Massachusetts Affordable Housing Alliance and of the Fair Housing Center of Greater Boston, both of which are represented on today's panel.

In my testimony today, I will summarize some of the most important findings of my most recent research on mortgage lending patterns in Boston, Greater Boston, and Massachusetts, emphasizing the enormous racial/ethnic disparities that exist in mortgage lending and the dramatic changes in the types of lenders who are providing mortgage loans. I will then argue that the changes in the industry – in particular, the declining importance of Massachusetts banks, whose local lending is covered by the Community Reinvestment Act (CRA), and the greatly expanded role of independent mortgage companies, who are largely unregulated by anyone – have greatly contributed to the racial/ethnic disparities in higher-cost lending.

Brief notes on data and methods. To avoid burdening the reader, I have omitted much of the detailed explanations of data, definitions, and methods that are presented in the above-cited reports, from which all but two of the tables and charts in this testimony are drawn (in some cases with minor

¹ AFFIL's other partners are the California Reinvestment Coalition, Center for Community Change, CFED, Community Reinvestment Association of North Carolina, Consumer Action, Demos, National Association of Consumer Advocates, Neighborhood Economic Development Advocacy Project, United Professionals, U.S. PIRG, and the Woodstock Institute. AFFIL is also supported by AARP, AFL-CIO, Center for American Progress, National Community Reinvestment Coalition, National Council of La Raza, and National Urban League. More information about AFFIL and its Partners is available at: www.affil.org.

² Both of these reports are available in the "Reports" section of the Massachusetts Community and Banking Council website: www.masscommunityandbanking.org.

modifications). Nevertheless, the following information may be of interest to some readers (others may skip ahead to the following section).

My main data source is Home Mortgage Disclosure Act (HMDA) data for 2005 (I have only begun to analyze the 2006 data that was released last month, but don't expect that I will find lending patterns that are very different from those in 2005; the on-going crisis in the subprime mortgage industry did not begin in earnest until early this year). Several tables also make use of data from the 2000 census. The analysis of home purchase lending in the tables taken from *Changing Patterns* includes only first-lien loans for owner-occupied homes, whereas the analysis of high-APR loans in the tables taken from *Borrowing Trouble* includes both first-lien and junior-lien loans for owner-occupied homes. High-APR loans (HALs) are defined as those for which the Annual Percentage Rate (APR) is at least three percentage points greater than the interest rate, at the time the loan was made, on U.S. Treasury bonds of the same maturity (five percentage points greater in the case of junior-lien loans); HALs have been identified in HMDA data only since 2004. In my reports and this testimony, Greater Boston is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) Region. Finally, the term "banks" is used in the generic sense, to include thrift institutions as well as commercial banks.

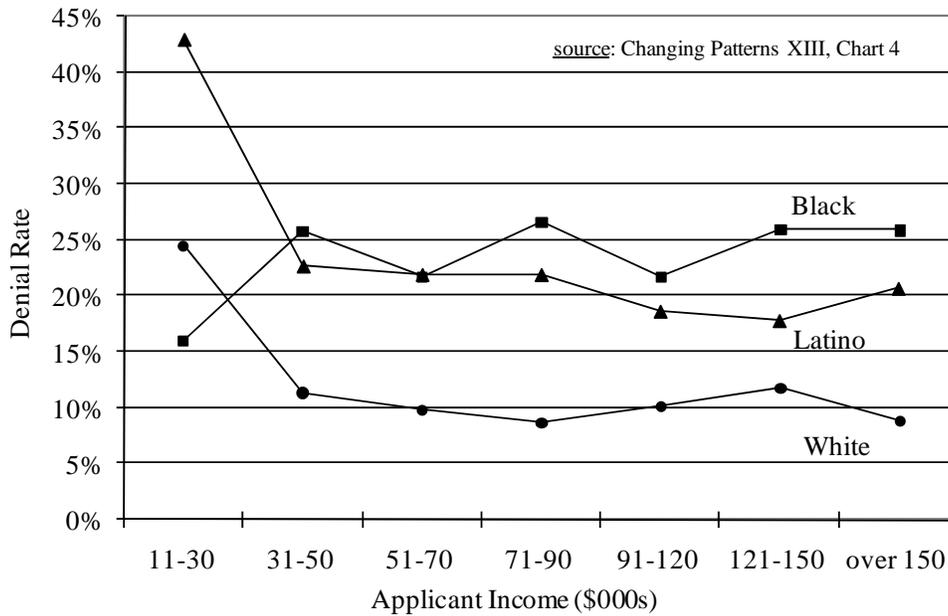
I. Enormous racial/ethnic disparities in mortgage lending in Greater Boston.

Blacks and Latinos experience much higher mortgage denial rates (Table 1 and Chart 1)

- The denial rates for home-purchase loans in Boston in 2005 were much higher for blacks (23.6%) and Latinos (20.9%) than they were for whites (10.1%). These differences can be expressed as denial rate ratios: **the black/white denial rate ratio, which averaged about 2.0 during the 1990s, was 2.34 in 2005, while the Latino/white denial rate ratio, typically about 1.5 during the 1990s, was 2.07 in 2005.**
- Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, these lower incomes do not fully account for the higher denial rates experienced by blacks and Latinos. **When applicants are grouped into income categories, the 2005 denial rates for blacks and for Latinos were in every case well above the denial rates for white applicants in the same income category** (with one exception: blacks with incomes between \$11,000 and \$30,000 were denied less frequently than whites in the same income range). **In the highest income category, consisting of borrowers with incomes above \$150,000, black applicants experienced a denial rate of 25.9%, almost triple the 8.9% denial rate experienced by their white counterparts; the 20.7% denial rate for Latinos with incomes above \$150,000 was 2.3 times greater than the white rate.**³

³ Concern over the high denial rate ratios reported nearly four years ago in *Changing Patterns X* led the Massachusetts Community & Banking Council (MCBC) to set in motion a process that resulted in the Massachusetts Bankers Association, the Massachusetts Mortgage Bankers Association, the Massachusetts Mortgage Association, the Massachusetts Credit Union League, and MCBC jointly convening a Fair Lending Task Force in late 2004. Among the Task Force's goals were "to attempt to better understand the disparities in denial rates for black and Latino homebuyers and develop strategies and recommendations to reduce the disparity ratios." The Task Force released its comprehensive final *Report and Recommendations* at an October 2006 "Fair Lending Summit"; that report is available at the MCBC website: www.masscommunityandbanking.org.

CHART 1
DENIAL RATES BY RACE AND INCOME
BOSTON HOME-PURCHASE LOANS, 2005



Lending to blacks and Latinos is concentrated in a few communities, while absent from others
 (Appendix Tables 1 and 2)

- Lending to black borrowers in the Greater Boston was highly concentrated in a small number of communities. During the 2003-2005 period, Boston alone received nearly one-half (46.0%) of the total home-purchase loans to blacks, while Randolph and Lynn received another one-sixth (17.2%) of the total. (Boston received 18.0% of total loans to all borrowers in the region, while Randolph and Lynn received just 4.8% of total loans.) **Eight communities – Boston, Lynn, Malden, Milton, Medford, Randolph, Stoughton, and Everett – each received over 100 loans to blacks during the 2003-2005 period; these eight communities accounted for 77.4% of loans to blacks in the MAPC region, while they received just 29.0% of total loans.**
- In eight communities – Carlisle, Gloucester, Hamilton, Manchester-by-the-Sea, Nahant, Sherborn, Stow, and Wenham – not a single home-purchase loan was made to a black borrower during the three-year period. **In 54 of the 101 communities in Greater Boston, blacks received 1.0% or less of total loans**, and in 23 additional communities the black loan shares were between 1.0% and 2.0%.
- Lending to Latino borrowers in Greater Boston was highly concentrated in a small number of communities, although less concentrated than lending to blacks. Just two cities – Boston and Lynn – received 37.7% of all home-purchase loans to Latinos between 2003 and 2005 (they received 21.5% of total loans to all borrowers). **Six communities – Boston, Chelsea, Everett, Framingham, Lynn, and Revere – each received over 400 loans to Latinos during the three-**

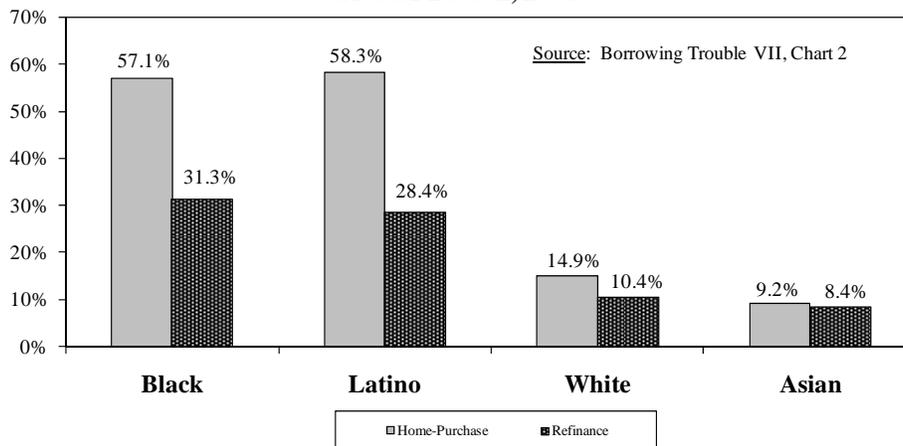
year period; these six communities accounted for 63.0% of all loans to Latinos, while receiving just 27.6% of total loans.

- In three communities – Essex, Hamilton, and Nahant – not a single home-purchase loan was made to a Latino borrower during the three-year period. **In 25 of the 101 communities in Greater Boston Latinos received 1.0% or less of total loans**, and in 29 additional communities the Latino loan shares were between 1.0% and 2.0%.

Blacks and Latinos – and their neighborhoods – receive disproportionate shares of higher-cost loans.

- Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive HALs than were their white or Asian counterparts. In Greater Boston, for example, the HAL loan share for home purchase loans was 57.1% for blacks and 58.3% for Latinos, but only 14.9% for whites. For refinance loans in Greater Boston, HALs accounted for 31.3% of loans to blacks and 28.4% of loans to Latinos, but for only 10.4% of loans to whites. Expressed differently, **in Greater Boston, the HAL share for blacks was 3.8 times greater than the HAL share for whites in the case of home-purchase lending, and 3.0 times greater for refinance lending, while the corresponding Latino/white disparity ratios were 3.9 and 2.7.** Black/white and Latino/white disparity ratios were somewhat higher in the city of Boston and somewhat lower statewide.⁴ At all three geographic levels, HALs accounted for over half of all home-purchase loans to both blacks and Latinos. HAL loan shares were generally lower for Asian borrowers than for whites. (Table 2 and Chart 2)

Chart 2
HAL Loan Shares by Race
Greater Boston, 2005

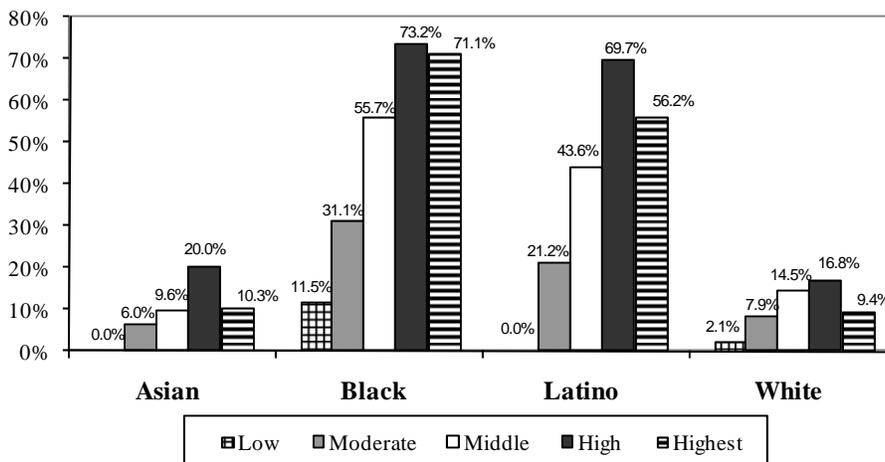


- **When borrowers are grouped by both race/ethnicity and income level, the HAL loan shares for blacks and Latinos are always substantially higher than the HAL shares for white borrowers in the same income category. Furthermore, the disparities in HAL shares tend to increase as the income level increases.** HAL loan shares were particularly large for blacks and Latinos in the “high” and “highest” income categories. The patterns that emerge from the data are

⁴ Disparity ratios were lower statewide than in Greater Boston not because the statewide HAL loan shares for blacks and Latinos were lower (in fact, they were higher), but rather because the statewide HAL loan shares for whites were higher.

the same for Boston, for Greater Boston, and for the entire state.. For brevity, specific data will be provided here for only one income category in one geographical area. **In Boston in 2005, highest-income blacks received 71.1% of their home-purchase loans in the form of HALs and the HAL share for highest-income Latinos was 56.2%, while the HAL loan share was 9.4% for highest-income whites. That is, for home-purchase loans, the HAL shares for highest-income blacks and Latinos were, respectively, 7.6 times and 6.0 times greater than the HAL share for highest-income whites.** In the case of refinance lending, highest-income blacks received 33.8% of their loans in the form of HALs and the HAL share for highest-income Latinos was 36.6%, while the HAL share was just 7.4% for upper-income whites. Thus, for refinance loans, the HAL shares of highest-income blacks and Latinos were, respectively, 4.6 and 4.9 times greater than the HAL share for highest-income whites. In Boston in 2005, highest-income borrowers were those with incomes of over \$152,000. (Table 3 & Chart 3)

Chart 3
HAL Share of Home-Purchase Loans: Owner-Occupied Homes
By Race/Ethnicity and Income of Borrower, Boston, 2005

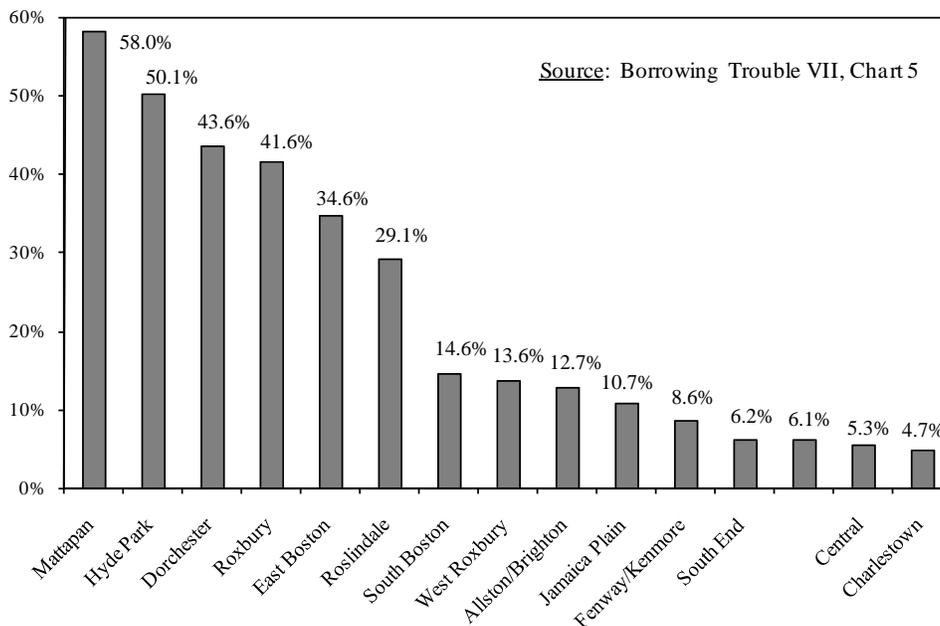


- In the city of Boston, HAL shares in predominantly-minority census tracts (those with more than 75% minority households) were about four times greater than those in predominantly-white tracts both for home-purchase loans (52.7% vs. 11.9%) and for refinance loans (35.4% vs. 9.0%).** For tracts in every income category, the HAL share rises consistently as the percentage of minority households increases.⁵ The reverse, however, is not the case: in the three categories of tracts with at least 25% minority households, the HAL shares tend to increase, rather than decrease, as income rises. The concentration of high-APR lending is greatest in the predominantly-minority census tracts (all of these tracts are low- or moderate-income). **For home-purchase loans in Boston, the HAL shares for low-income and moderate-income predominantly-minority tracts were, respectively, 7.2 times and 9.2 times higher than the HAL share in upper-income predominantly white tracts.** For refinance loans, the HAL shares for low-income and moderate-income predominantly-minority tracts were 7.7 times and 6.5 times higher than the HAL share in upper-income predominantly-white tracts. (Table 4)

⁵ There is one exception to this generalization: the HAL percentages are lower in the single upper-income census tract with 25%-50% minority households than in the upper-income tracts with more than 75% white households.

- The shares of total loans that were accounted for by high-APR loans varied dramatically among Boston’s major neighborhoods. For home-purchase loans, the 58.0% HAL share in Mattapan was twelve times greater than the 4.7% share in Charlestown. For refinance loans, the 36.8% HAL share in Roxbury was thirteen times greater than the 2.8% HAL share in the Back Bay/Beacon Hill neighborhood. The four Boston neighborhoods with the highest percentages of minority residents – Mattapan, Roxbury, Dorchester, and Hyde Park – also had the four highest HAL shares for both home-purchase and refinance lending, ranging from 27.2% to 58.0%; meanwhile, in the four neighborhoods with fewer than 25% minority residents – Back Bay/Beacon Hill, South Boston, West Roxbury, and Charlestown – the HAL shares were between 2.8% and 14.6%. (Table 5 and Chart 4)

Chart 4
HAL Loan Shares of Home-Purchase Loans
Boston Neighborhoods, 2005



- Table 6 identifies the biggest high-APR lenders in Boston in 2005 and Table 7 provides information on lending to black, Latino, and white borrowers by each of these lenders (listed in the same order). The information in Table 7 includes: total loans to each of these racial/ethnic groups, the percentage of high-APR loans for each group, and the disparity ratios for black/white and Latino/white HAL shares (calculated as the black [or Latino] HAL share divided by the white HAL share). Several of the biggest HAL lenders – including Fremont, H&R Block/Option One, New Century, Accredited Home Lenders, GE/WMC, and Meritage – specialized in high-APR lending to the extent that between 82% and 93% of all their white borrowers in Boston received HALs; these lenders therefore necessarily had disparity ratios close to one (in fact, they ranged from 0.92 to 1.08). In contrast, HALs were a relatively small part of the overall lending for other big HAL lenders in the city, and these lenders tended to provide HALs to a considerably larger share of their black and Latino borrowers than of their white borrowers. Indeed, **the three biggest overall lenders in Boston** (the only three lenders with over nine hundred total loans in the city) **each had substantial disparity ratios for their high-APR lending. The black/white disparity ratios were 3.5 at Countrywide (30.6% vs. 8.8%), 6.0 at Wells Fargo (26.4% vs. 4.4%), and 3.8 at Washington Mutual/Long Beach (36.6% vs. 9.7%). The Latino/white disparity ratios at these same three lenders were 1.2, 4.3, and 5.4, respectively.** (Tables 6 & 7)

II. Dramatic changes in the types of mortgage lenders in Greater Boston

To better understand the changing patterns of mortgage lending in Greater Boston it is useful to classify lenders into categories, reflecting the extent to which their lending is subject to federal and state regulation. In my research, I have found it illuminating to place each lender with one or more mortgage loans in Massachusetts into one of the following three categories:

- **Massachusetts Banks and Credit Unions (CRA)**, defined as all banks that have one or more branches in the state plus Massachusetts state-chartered credit unions. These are referred in short as “CRA lenders,” because *lending in Massachusetts by these lenders is covered by the federal and/or state Community Reinvestment Act.*⁶ The CRA covers only depository institutions (usually together with their subsidiaries and affiliates) and applies only to the area(s) within which the institution has branches (known as the institution’s “Assessment Area”). Thus, loans made in Massachusetts by an out-of-state bank that has no branches in Massachusetts are not covered by the CRA, even though that bank’s loans in its home state are covered. (My analysis assumes, as a rough approximation, that all of the Massachusetts loans made by a bank with one or more banking offices in the state – or by any mortgage company affiliates/subsidiaries of that bank – are covered by the CRA; this is a modest over-estimate, because most of these banks make a portion of their Massachusetts loans outside of their “Assessment Areas.”)
- **Out of State Banks (OSB)**, defined as out-of-state banks with no branches in Massachusetts, subsidiaries of federally-chartered banks with no branches in Massachusetts, and all credit unions except for those chartered by the state of Massachusetts. Although the banks in this category are subject to CRA oversight of the lending in the “Assessment Areas” within which their branches are located, *lending in Massachusetts by these lenders is not covered by the CRA. However, these lenders are subject to regulation for safety and soundness and some other purposes by one of the federal bank (or credit union) regulators.* For example, OSB lenders, but not LML lenders (below), were covered by the interagency “Statement on Subprime Mortgage Lending” issued in July 2007. Because these lenders have charters from other states or from the federal government, they do not need a license to make mortgage loans in Massachusetts.
- **Licensed mortgage lenders (LML)**, defined as lenders that require a license to make mortgage loans in Massachusetts. These are primarily independent mortgage companies (i.e., not affiliated with a depository institution); they also include subsidiaries or affiliates of state-chartered banks that have no branches in Massachusetts and affiliates of federally-chartered banks that have no branches in Massachusetts. *These lenders are not subject to any kind of regulation by the federal bank regulators.*⁷

⁶ Massachusetts is one of the very few states (perhaps the only one?) with a state Community Reinvestment Act. Massachusetts-chartered banks are subject to evaluation of the CRA performance by both the state’s Division of Banks and their federal bank regular. Massachusetts-chartered credit unions are covered only by the state CRA; the federal CRA does not apply to credit unions.

⁷ This classification scheme places affiliates (but not subsidiaries) of federally-chartered banks and both subsidiaries and affiliates of state-chartered banks in the LML category, which is appropriate for identifying which lenders could be subject to coverage by proposed Massachusetts legislation that would extent CRA-type oversight to licensed mortgage lenders. However, these lenders are subject to limited regulation by federal bank regulators, and for some purposes it might be more appropriate to assign some or all of them to the OSB category (as was apparently done in the *Federal Reserve Bulletin* article cited below. In any case, the share of total lending accounted for by such lenders is relatively small; the bulk of LML lending is done by independent mortgage companies.

In addition, I have classified some lenders as *subprime lenders*, indicating that they specializes in making non-prime loans. Through 2003, I relied for this purpose on the list of manufactured home and subprime lenders that was prepared annually by the U.S. Department of Housing and Urban Development (HUD). The release dates of HUD's list for 2004 and 2005 were delayed by many months, and so I identified subprime lenders as those for whom high-APR loans constituted at least a specified share of their total Massachusetts loans.⁸

My research has shown that the mortgage loan share accounted for by CRA-covered lenders has fallen precipitously, while the share accounted for by LML lenders has risen dramatically. At the same time, the share of lending accounted for by subprime lenders, none of whom are Massachusetts banks or credit unions (CRA lenders), has also sharply increased.

- **In the city of Boston, the share of all home-purchase loans accounted for by Massachusetts banks and credit unions plunged from almost four-fifths (78.0%) of all home-purchase loans in 1990 to less than one-fifth (19.7%) of all loans in 2005. Correspondingly, the combined loan share of mortgage companies and out of state banks (not distinguished from each other in this set of data) rose during the same period from 21.9% to 80.3% of the total.** At the same time, the loan share of subprime lenders (all of whom were mortgage companies or out of state banks), rose from 4.0% in 1998 (the first year for which I calculated this statistic) to 17.9% in 2005. (Table 8)
- **Statewide, the share of total home-purchase and refinance loans accounted for by CRA-covered lenders shrank from 37.0% in 2001 to 21.9% in 2005, while the loan share of LML lenders doubled, from 24.2% to 47.8%.** (I began tracking these particular data only in 2001; the remaining loans were made by OSB lenders, whose share of total loans fell from 38.8% to 30.2%.) (Table 9, Panel C)

III. Substantial differences in the nature of loans made by the major types of lenders

There is an important reason that I have emphasized the dramatic changes in the loan shares of the three major categories of lenders. LML lenders, the fastest growing and least regulated category, are responsible for the great majority of high-APR loans – loans that are (as we have seen above) directed very disproportionately to black and Latino borrowers and their neighborhoods. On the other hand, CRA lenders, whose share of total lending is rapidly shrinking, have by far the best record in making prime loans to these same borrowers and neighborhoods.

The differences in lending patterns that I will document in this section are consistent with a very dramatic, but too-little noted, finding reported in the *Federal Reserve Bulletin* article that accompanied the release of the 2005 HMDA data. The authors of that article report that, for home-purchase lending, high-APR loans (HALs) accounted for 7.0% of total loans by banks lending in their assessment areas, for

⁸ These threshold percentages were 15.0% in 2004 and 33.3% in 2005. These percentages were selected to provide the best fit with known subprime lenders. The percentages are low because many loans that do not have APRs high enough to be identified in the HMDA data as high-APR loans are nevertheless subprime loans with interest rates, fees, and terms less favorable to the borrower than those on prime loans. After the fact, there turned out to be quite a high correspondence between the lenders I identified as subprime and those on HUD's lists.

23.5% of total loans by banks lending outside of their assessment areas; and for 38.4% of total loans by independent mortgage companies.⁹

- **In Massachusetts in 2005, only 1.0% of all loans by CRA-covered lenders were high-APR loans (HALs), compared to 30.9% of loans by LML lenders; OSB lenders were in between at 18.9%. While CRA lenders accounted for just 1.1% of total Massachusetts HALs, LML lenders were responsible for 71.4% of all HALs in the state (OSB lenders accounted for the remaining 27.5% of total HALs).** (Table 9, lower right-hand corner of Panels A and B).
- In Massachusetts in 2005, only two of the twenty biggest lenders were covered by CRA for their Massachusetts lending (Bank of America, ranked sixth, and Sovereign, ranked seventh), while ten of the top twenty, including three of the top four, were LML lenders. **None of the twenty biggest high-APR lenders in the state were covered by CRA, while sixteen of the top twenty, including four of the top five, were LML lenders.** (The remaining eight of the top overall lenders, and the remaining four of the top high-APR lenders, were OSB lenders.)¹⁰ (Table 10)
- **CRA-covered lenders directed a substantially greater share of their total Boston loans in 2005 to every one of the categories of traditionally underserved borrowers and neighborhoods that I examined than did prime OSB and LML lenders** (i.e., excluding lenders classified as subprime). For example, black borrowers received 13.8% of the loans made by CRA-covered lenders, but only 5.9% of those made by prime OSB and LML lenders. Low- and moderate-income (LMI) borrowers received 33.5% of the loans made by CRA-covered lenders, compared to 16.2% of the loans made by prime OSB and LML lenders. And low- and moderate-income (LMI) census tracts that had over 75% black and Latino residents received 12.9% of the loans by CRA-covered lenders, but only 6.6% of the loans made by prime OSB and LML lenders. (Table 11, Panel A)
- Viewing these same lending data in terms of market shares provides an alternative perspective on the different lending patterns of these two types of lenders. **CRA-covered lenders had market shares of loans to all of the categories of traditionally underserved borrowers that were equal to or above their market share of all Boston loans, while prime OSB and LML lenders had substantially smaller shares of the loans to every category of these borrowers than they had of total lending.** Although CRA-covered lenders made only 19.7% of all home-purchase loans in Boston in 2005, they accounted for 35.9% of loans to low- and moderate-income (LMI) borrowers. In contrast, prime OSB and LML lenders made 62.4% of total loans, but they made only 28.9% of the total loans to blacks, 36.2% of total loans to Latinos, 46.8% of total loans to low-income borrowers, and 33.7% of total loans in minority LMI neighborhoods. (Table 11, Panel B)
- **Subprime lenders made disproportionately large numbers of their loans to minority borrowers and in lower-income minority neighborhoods and they accounted for disproportionately large shares of all loans to these borrowers and neighborhoods.** Black

⁹ Robert Avery, Kenneth Brevoort, and Glenn Canner, "Higher-Priced Home Lending and the 2005 HMDA Data," *Federal Reserve Bulletin*, 2006, Table 12, pp. 154-158. These lender categories are close to those adopted in this testimony, although the Fed's researchers group all credit unions with independent mortgage companies. The corresponding percentages for refinance loans are very similar: 9.2%, 24.8%, and 38.9%.

¹⁰ Very similar conclusions follow from the information presented in Table 6, which list the twenty biggest high-APR lenders in the city of Boston. In this case, the lenders listed are lending "families" (most of which contain more than one – up to five in one case – HMDA-reporting lenders within a single parent corporation). Of these twenty lending families, eleven consisted entirely of LML lenders and four more contained at least one LML lender within the corporate family. None were CRA-covered lenders and the other five consisted entirely of OSB lenders (designate by "OTH" in Table 6).

borrowers received 12.8% of all loans by all lenders, but they received 35.5% of the loans made by subprime lenders. Latino borrowers received 8.6% of total loans, but 21.3% of the loans made by subprime lenders. Predominantly minority LMI neighborhoods received 12.3% of all loans, but they received 31.2% of the loans made by subprime lenders. Examining the same data from the market share perspective shows that while the 1,493 loans by subprime lenders in 2005 accounted for 17.9% of all loans by all lenders, these lenders made 49.8% of all loans to black borrowers, 44.2% of all loans to Latinos, and 45.6% of all loans in minority LMI neighborhoods. **This last finding is suggestive of “reverse redlining” by subprime lenders – i.e., the targeting of the same highly-minority neighborhoods that previously suffered from “redlining” (an avoidance of lending) by prime mortgage lenders.** (Table 11, Panels A and B)

IV. Implications for Public Policy

I have focused my analysis on mortgage lending in Massachusetts, with particular emphasis on the city of Boston and the Greater Boston area, but I believe that a detailed examination of mortgage lending patterns in other cities and states would reveal qualitatively similar findings.¹¹ The enormous racial disparities in mortgage lending and the dramatic shrinkage of the portion of total mortgage lending that is subject to evaluation by bank regulators under the provisions of the Community Reinvestment Act (CRA) indicate the need for major changes in public policy toward the mortgage lending industry.

The Financial Services Committee has already received many detailed recommendations, including excellent sets of constructive proposals from several of AFFIL’s partner organizations (our seventeen partners are listed in a footnote near the beginning of this testimony). In my conclusion, I wish to emphasize two important general principles that should underlie our nation’s response to the problems that I have outlined.

First, the playing field needs to be leveled so that all mortgage lenders are subject to similar laws and regulations that will protect consumers from unfair and predatory practices, promote wealth-building by households and communities, and prevent a race to the bottom where lenders who choose to maintain responsible lending practices face the loss of market share to unscrupulous competitors. Part of the answer is comprehensive anti-predatory lending legislation that would apply to all mortgage lenders. In addition, I believe that the research findings summarized earlier in this testimony underline the particular need for the following three measures: (1) banks should receive CRA performance evaluations not only for their lending in assessment areas defined around the location of their banking offices, but also for their lending in every geographical area in which they have a significant market share; (2) CRA performance evaluations should be done on a comprehensive corporate-wide level, including all related banks together with all mortgage lending subsidiaries and affiliates; and (3) independent mortgage companies and credit unions should be subject to regulations, performance evaluations, and public ratings analogous to those that the CRA imposes on banks.

Second, whatever laws and regulations exist need to be actively and effectively enforced if they are to have their intended impact on lender behavior. To take one particularly relevant and important case, the nation’s fair lending laws (most importantly, the relevant portions of the Fair Housing Act and

¹¹ However, it should be noted that a recent report by the National Community Reinvestment Coalition that examined high-APR mortgage lending in 2005 in over 250 metropolitan areas found that the black/white and Latino/white disparities in a number of Massachusetts metropolitan areas were among the highest in the nation. (National Community Reinvestment Coalition, *Income Is No Shield Against Racial Differences in Lending: A Comparison of High-Cost Lending in America’s Metropolitan Areas*, July 2007, pp. 11-14, Table 1, & Table 4.)

the Equal Credit Opportunity Act) have, since their adoption, applied to all mortgage lenders. Nevertheless, lenders engaged in illegal discriminatory behavior have had little to fear from the federal agencies charged with enforcing these laws, especially during the Reagan administration and both Bush administrations. The testimony presented to your committee, both in Washington this summer and in Boston today, by Ginny Hamilton of the Fair Housing Center of Greater Boston explains in some detail the need for greater enforcement of our existing fair lending laws.

Similarly, while it is important to emphasize the need to extend regulatory oversight to independent mortgage companies, it is also important to note that some of the worst predatory lenders have been depository institutions or their subsidiaries. These lenders have been allowed to carry out their unfair – as well as unsafe and unsound – lending in spite of legislated oversight by federal banking regulators. Among the most notorious of these is Fremont Investment and Loan – a California-chartered bank whose primary federal regulator is the FDIC. Fremont, the largest high-APR lender in Boston in 2005 and the second-largest statewide, was well-known for the egregious quality of its loans, but seems to have been allowed to proceed unchecked at least through the end of 2006. (Fremont was in the news earlier this month when a lawsuit by recently-elected Massachusetts Attorney General Martha Coakley charged it with “unfair and deceptive conduct on a broad scale.” This was the first enforcement action taken under the Massachusetts anti-predatory lending law enacted in 2004.)

In important respects, the current subprime mortgage lending crisis reminds me of the savings and loan crisis that was in full swing when I first began to study the banking and mortgage lending industries in 1989. Then, as now, irresponsible lending on a massive scale had resulted in serious hardships for many borrowers and neighborhoods, failures for numerous large financial institutions, and significant impacts on the overall economy. The response then included new legislation to promote responsible lending in local communities (I refer to the 1989 amendments to HMDA and the CRA that were championed by my then Representative Joe Kennedy) as well as a commitment to better enforce existing laws and regulations. The present situation also demands action on both of these fronts, and I am pleased to know that leadership in this effort will again come from my own Congressman (Rep. Capuano) as well as from the Chair of this committee, who represents an adjacent district.

Again, I thank you for the opportunity to testify today. I would be happy to respond to any questions that you may have.

TABLE 1
APPLICATIONS AND DENIAL RATES BY RACE & INCOME OF APPLICANT
BOSTON HOME-PURCHASE LOANS, 2005

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
11-30	25	16.0%	14	42.9%	49	24.5%	0.65	1.75
31-50	198	25.8%	97	22.7%	643	11.4%	2.27	2.00
51-70	345	21.7%	187	21.9%	1,128	9.8%	2.21	2.23
71-90	451	26.6%	251	21.9%	1,242	8.7%	3.06	2.52
91-120	556	21.8%	327	18.7%	1,333	10.1%	2.15	1.84
121-150	200	26.0%	146	17.8%	773	11.8%	2.21	1.51
over 150	112	25.9%	87	20.7%	1,490	8.9%	2.92	2.34
Total*	1,961	23.6%	1,191	20.9%	6,957	10.1%	2.34	2.07

Note: Includes only first-lien loans for owner-occupied homes.

* Total includes applicants without reported income or with reported income of less than \$10,000.

Source: Changing Patterns XIII, Table 4

Table 2
High-APR Loans (HALs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
Loans for Owner-Occupied Homes, 2005

Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	High- APR Loans	% High- APR	Ratio to White %	All Loans	High- APR Loans	% High- APR	Ratio to White %	All Loans	High- APR Loans	% High- APR	Ratio to White %
A. Home-Purchase Loans												
Asian	564	68	12.1%	0.91	3,523	324	9.2%	0.62	5,727	792	13.8%	0.73
Black	1,701	975	57.3%	4.33	3,619	2,065	57.1%	3.83	7,495	4,548	60.7%	3.19
Latino	1,155	598	51.8%	3.91	5,522	3,218	58.3%	3.91	11,095	6,593	59.4%	3.13
White	6,513	863	13.3%	1.00	39,102	5,829	14.9%	1.00	86,111	16,361	19.0%	1.00
Other*	50	17	34.0%		235	64	27.2%		490	161	32.9%	
No Info^	1,134	217	19.1%		5,327	947	17.8%		10,226	2,582	25.2%	
Total	11,117	2,738	24.6%		57,328	12,447	21.7%		121,144	31,037	25.6%	
B. Refinance Loans												
Asian	287	35	12.2%	1.14	2,104	177	8.4%	0.81	3,422	390	11.4%	0.82
Black	2,077	681	32.8%	3.05	3,635	1,138	31.3%	3.02	6,455	2,238	34.7%	2.49
Latino	832	250	30.0%	2.80	3,354	952	28.4%	2.73	7,576	2,539	33.5%	2.41
White	5,292	568	10.7%	1.00	52,558	5,456	10.4%	1.00	124,525	17,330	13.9%	1.00
Other*	50	10	20.0%		266	43	16.2%		698	158	22.6%	
No Info^	1,585	426	26.9%		9,189	1,869	20.3%		21,906	5,569	25.4%	
Total	10,123	1,970	19.5%		71,106	9,635	13.6%		164,582	28,224	17.1%	

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* "Other" combines "American Indian or Alaska Native" and "Native Hawaiian or Other Pacific Islander."

^ "No Info" is short for "Information not provided by applicant in telephone or mail application" or "not available."

Source: Borrowing Trouble VII, Table 2

Table 3
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
Loans for Owner-Occupied Homes, City of Boston, 2005

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. Total Number of Home-Purchase Loans					
Asian	28	116	135	160	97
Black	61	296	521	687	76
Latino	28	156	358	472	73
White	142	1,055	1,699	2,039	1,336
B. High-APR Loans (HALs) as Percent of Total: Home-Purchase Loans					
Asian	0.0%	6.0%	9.6%	20.0%	10.3%
Black	11.5%	31.1%	55.7%	73.2%	71.1%
Latino	0.0%	21.2%	43.6%	69.7%	56.2%
White	2.1%	7.9%	14.5%	16.8%	9.4%
C. Home-Purchase Loan Share Disparity Ratios (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.77	0.67	1.19	1.10
Black	5.43	3.95	3.84	4.35	7.59
Latino	0.00	2.69	3.01	4.14	6.00
White	1.00	1.00	1.00	1.00	1.00
D. Total Number of Refinance Loans					
Asian	16	48	72	93	43
Black	125	519	734	494	80
Latino	31	144	308	252	41
White	242	839	1,513	1,585	809
E. High-APR Loans (HALs) as Percent of Total: Refinance Loans					
Asian	6.3%	12.5%	11.1%	15.1%	14.0%
Black	18.4%	29.7%	36.1%	39.7%	33.8%
Latino	12.9%	18.1%	29.5%	41.3%	36.6%
White	11.6%	11.7%	11.4%	12.3%	7.4%
F. Refinance Loan Share Disparity Ratios (Ratio to White HAL percentage for same income category)					
Asian	0.54	1.07	0.98	1.22	1.88
Black	1.59	2.54	3.18	3.22	4.55
Latino	1.12	1.55	2.60	3.35	4.93
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston Metropolitan Division (\$76,400 in 2005). "Low" is less than 50% of this amount (\$1K-\$38K in 2005); "Moderate" is 50%-80% of this amount (\$39K-\$61K); "Middle" is 80%-120% of this amount (\$62K-\$91K); "High" is 120%-200% of this amount (\$92K-\$152K); and "Highest" is over 200% of this amount (\$153K or greater). HMDA data report income to the nearest thousand dollars.

Source: Borrowing Trouble VII, Table 6

Table 4
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
Loans for Owner-Occupied Homes, City of Boston, 2005

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. Number of Census Tracts					
> 75% Minority	21	20	0	0	41
50%-75% Minority	7	12	1	0	20
25%-50% Minority	6	24	12	1	43
> 75% White	0	10	26	16	52
Total	34	66	39	17	156
B. Number of Home-Purchase Loans					
> 75% Minority	672	1,332	0	0	2,004
50%-75% Minority	227	1,014	98	0	1,339
25%-50% Minority	511	1,669	993	33	3,206
> 75% White	0	736	2,291	1,541	4,568
Total	1,410	4,751	3,382	1,574	11,117
C. High-APR Loans (HALs) as Percent of All Home-Purchase Loans					
> 75% Minority	44.6%	56.8%	na	na	52.7%
50%-75% Minority	26.9%	35.4%	42.9%	na	34.5%
25%-50% Minority	7.6%	22.8%	25.8%	6.1%	21.1%
> 75% White	na	17.8%	13.8%	6.2%	11.9%
Total	28.4%	34.2%	18.2%	6.2%	24.6%
D. Home-Purchase Loans: HAL Share Disparity Ratios (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.24	9.21	na	na	8.55
50%-75% Minority	4.36	5.74	6.95	na	5.60
25%-50% Minority	1.24	3.70	4.18	0.98	3.43
> 75% White	na	2.89	2.24	1.00	1.92
Total	4.60	5.55	2.94	1.00	4.00
E. Number of Refinance Loans					
> 75% Minority	763	1,966	0	0	2,729
50%-75% Minority	121	911	133	0	1,165
25%-50% Minority	217	1,299	1,071	22	2,609
> 75% White	0	522	1,898	1,200	3,620
Total	1,101	4,698	3,102	1,222	10,123
F. High-APR Loans (HALs) as Percent of All Refinance Loans					
> 75% Minority	39.6%	33.7%	na	na	35.4%
50%-75% Minority	12.4%	25.2%	28.6%	na	24.3%
25%-50% Minority	6.9%	15.8%	16.4%	0.0%	15.2%
> 75% White	na	15.1%	9.7%	5.2%	9.0%
Total	30.2%	25.1%	12.9%	5.1%	19.5%
G. Refinance Loans: HAL Share Disparity Ratios (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.66	6.53	na	na	6.84
50%-75% Minority	2.40	4.89	5.53	na	4.70
25%-50% Minority	1.34	3.05	3.18	0.00	2.94
> 75% White	na	2.93	1.89	1.00	1.74
Total	5.84	4.85	2.49	0.98	3.77

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the Boston Metropolitan Division (MD). "Low" is less than 50% of the MFI of the MD; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MD. A census tract is placed into a racial/ethnic category based on its percentage of minority households according to the 2000 census. All householders other than non-Latino whites are classified as minority.

The 2000 Census did not report an MFI for tract 1501.00 (Harbor Islands).

Source: Borrowing Trouble VII, Table 9

Table 5
High-APR Loans (HALs), By Neighborhood#
Loans for Owner-Occupied Homes, City of Boston, 2005

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level
A. Home-Purchase Loans					
Mattapan	479	278	58.0%	96.2%	\$38,463
Hyde Park	694	348	50.1%	57.0%	\$54,666
Dorchester	1,668	727	43.6%	68.2%	\$39,856
Roxbury	801	333	41.6%	95.2%	\$30,358
East Boston	714	247	34.6%	50.3%	\$36,213
Roslindale	787	229	29.1%	44.2%	\$53,418
South Boston	1,010	147	14.6%	15.5%	\$47,794
West Roxbury	523	71	13.6%	16.4%	\$68,966
Allston/Brighton	926	118	12.7%	31.3%	\$47,693
Jamaica Plain	691	74	10.7%	50.2%	\$45,762
Fenway/Kenmore	256	22	8.6%	30.5%	\$48,961
South End	679	42	6.2%	54.7%	\$42,263
BackBay/BeaconHill	694	42	6.1%	15.2%	\$127,542
Central	600	32	5.3%	30.4%	\$61,837
Charlestown	595	28	4.7%	21.4%	\$59,265
City of Boston	11,117	2,738	24.6%	50.5%	\$44,151
B. Refinance Loans					
Roxbury	813	299	36.8%	95.2%	\$30,358
Mattapan	869	298	34.3%	96.2%	\$38,463
Dorchester	1,913	526	27.5%	68.2%	\$39,856
Hyde Park	911	248	27.2%	57.0%	\$54,666
East Boston	514	118	23.0%	50.3%	\$36,213
Roslindale	905	130	14.4%	44.2%	\$53,418
South Boston	704	78	11.1%	15.5%	\$47,794
Jamaica Plain	520	55	10.6%	50.2%	\$45,762
Allston/Brighton	575	59	10.3%	31.3%	\$47,693
West Roxbury	661	63	9.5%	16.4%	\$68,966
Charlestown	355	26	7.3%	21.4%	\$59,265
Central	303	21	6.9%	30.4%	\$61,837
South End	454	31	6.8%	54.7%	\$42,263
Fenway/Kenmore	155	5	3.2%	30.5%	\$48,961
BackBay/BeaconHill	471	13	2.8%	15.2%	\$127,542
City of Boston	10,123	1,970	19.5%	50.5%	\$44,151

The neighborhoods used in this study are based on the Planning Districts (PDs) defined by the Boston Redevelopment Authority (BRA), except: North and South Dorchester are combined and the Harbor Islands PD (no loans in 2005) is omitted. *Percent minority* population was calculated by the BRA for these exact neighborhoods from 2000 Census data. However, lending data are available only on a census tract basis and many tracts are divided among two or more PDs; *loans* in each PD were calculated using a list of census tracts obtained from the BRA that correspond to the PDs as closely as possible. The income level is estimated as the median of the Median Family Incomes of the census tracts in the PD.

Source: Borrowing Trouble VII, Table 11

**Table 6 [was Table 12 in Borrowing Trouble VII]
Lenders with the Most High-APR Loans (HALs) in Boston, 2005
Loans for Owner-Occupied Homes Only, Sorted by Total Number of High-APR Loans**

Lender Name	Lender Type#	Number of HALs			Total Loans			HALs as % of Total		
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi
A. The 20 Lenders or Lender Families with More Than 45 High-APR Loans (HALs) in Boston										
Fremont Investment & Loan	OTH	612	373	239	686	421	265	89.2%	88.6%	90.2%
H&R Block/Option One*	LML	582	214	368	735	262	473	79.2%	81.7%	77.8%
New Century*	LML	433	245	188	490	266	224	88.4%	92.1%	83.9%
Accredited Home Lenders, Inc	LML	267	210	57	278	217	61	96.0%	96.8%	93.4%
Countrywide*	MIX	264	148	116	1,923	1,017	906	13.7%	14.6%	12.8%
Ameriquet/Argent*	LML	248	181	67	559	226	333	44.4%	80.1%	20.1%
GE/WMC*	MIX	237	132	105	261	144	117	90.8%	91.7%	89.7%
Washington Mutual/Long Beach*	OTH	203	150	53	976	418	558	20.8%	35.9%	9.5%
National City/First Franklin*	OTH	171	136	35	383	241	142	44.6%	56.4%	24.6%
NetBank/Meritage*	OTH	119	117	2	191	159	32	62.3%	73.6%	6.3%
HSBC*	MIX	95	35	60	296	108	188	32.1%	32.4%	31.9%
Lehman/Finance America*	OTH	93	70	23	122	87	35	76.2%	80.5%	65.7%
Aegis*	LML	90	26	64	125	37	88	72.0%	70.3%	72.7%
Encore Credit Corp	LML	80	35	45	85	36	49	94.1%	97.2%	91.8%
Fieldstone Mortgage Co	LML	79	56	23	112	66	46	70.5%	84.8%	50.0%
Wells Fargo*	MIX	68	16	52	927	563	364	7.3%	2.8%	14.3%
Nation One Mortgage Co	LML	64	64	0	80	80	0	80.0%	80.0%	na
Aames Funding Corp	LML	60	29	31	67	31	36	89.6%	93.5%	86.1%
SLM Financial Corp	LML	57	46	11	203	134	69	28.1%	34.3%	15.9%
SouthStar Funding	LML	46	41	5	48	42	6	95.8%	97.6%	83.3%
Sub-Total, Top 20 HAL Lenders		3,868	2,324	1,544	8,547	4,555	3,992	45.3%	51.0%	38.7%
Total, all 427 Lenders (150 HAL Lenders)		4,708	2,738	1,970	21,240	11,117	10,123	22.2%	24.6%	19.5%
B. The Seven Other Lenders with 500 or More Total Loans in Boston										
Bank of America	CRA	7	3	4	852	543	309	0.8%	0.6%	1.3%
GMAC*	MIX	21	9	12	681	270	411	3.1%	3.3%	2.9%
Citizens*	CRA	6	3	3	611	337	274	1.0%	0.9%	1.1%
Taylor, Bean & Whitaker	LML	0	0	0	608	194	414	0.0%	0.0%	0.0%
Summit Mortgage, LLC	LML	21	19	2	540	435	105	3.9%	4.4%	1.9%
Sovereign Bank	CRA	1	1	0	536	229	307	0.2%	0.4%	0.0%
Mortgage Master, Inc	LML	7	6	1	503	229	274	1.4%	2.6%	0.4%

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages.
Aegis: Aegis Funding Corp (49 loans; 92% HALs), Aegis Lending Corp. (49; 82%), and Aegis Wholesale Corp. (27; 19%)
Ameriquet/Argent: Argent Mort (285; 69%), Ameriquet Mort (246 loans, 19% HALs), Town & Country Credit (27; 19%), & AMC Mort Svcs (1; 0%)
Citizens: Citizens Mort (262 loans; 2% HALs), Citizens Bank of Mass (189 loans; 0%), CCO Mort (159; 1%); & Citizens Bank of RI (1; 0%).
Countrywide: Countrywide Home Loans (1,789 loans; 14.4% HALs), Countrywide Bank (130; 5%), & Countrywide Mort Ventures (4; 0%).
GE/WMC: WMC Mortgage Corp (260 loans; 91%; HALs) & GE Money Bank (1; 100%).
GMAC: GMAC Bank (423 loans; 2% HALs), GMAC Mortgage (169; 0%), Homecomings Financial Network (83; 14%), & Ditech.com (6; 17%).
H&R Block/Option One: Option One Mortgage (660 loans; 81% HALs) and H&R Block Mortgage (75; 64%).
HSBC: HSBC Mort (120 loans; 2% HALs); Decision One (93; 82%), HFC (56; 14%), Beneficial Homeowner Svcs (26; 31%), & HSBC Mort Svcs (1; 100%).
Lehman/Finance America: Finance America (60 loans; 98% HALs), Lehman Brothers Bank (36; 22%), & BNC Mort (26; 100%).
National City/First Franklin: National City Bank, Indiana [dba: First Franklin Financial] (315 loans; 54% HALs) & National City Bank (68; 0%).
NetBank/Meritage: Meritage Mortgage (124 loans; 96% HALs), NetBank (66; 0%), & Market Street Mortgage (1; 0%).
New Century: New Century Mort (489 loans; 88% HALs) and Home123 Corp (1; 100%)
Washington Mutual/Long Beach: Washington Mutual Bank (757 loans; 0% HALs) and Long Beach Mortgage (219; 93%).
Wells Fargo: Wells Fargo Bank (891 loans; 6% HALs), Wells Fargo Financial, Mass (28; 46%) and Wells Fargo Funding (8; 0%)

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. **LML**: licensed mortgage lenders, mostly mortgage companies, potentially subject to state regulation. **OTH**: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation. **MIX**: lender families that include both LML and OTHER lenders.

**Table 7 [was Table 14 in Borrowing Trouble VII]
Lenders with the Most High-APR Loans, Boston 2005: Lending by Race/Ethnicity
Loans for Owner-Occupied Homes Only, Sorted by Total Number of High-APR Loans (HALs) -- See Table 12**

Lender Name	Lender Type#	Total Loans			HALs as % of Total			Ratio to White	
		Black	Latino	White	Black	Latino	White	Black	Latino
A. The 20 Lenders or Lender Families with More Than 45 High-APR Loans (HALs) in Boston									
Fremont Investment & Loan	OTH	340	150	119	90.3%	88.0%	86.6%	1.04	1.02
H&R Block/Option One*	LML	252	102	246	76.2%	80.4%	82.5%	0.92	0.97
New Century*	LML	212	61	178	89.6%	85.2%	87.1%	1.03	0.98
Accredited Home Lenders, Inc	LML	71	59	103	97.2%	100.0%	93.2%	1.04	1.07
Countrywide*	MIX	265	168	1,010	30.6%	10.7%	8.8%	3.47	1.22
Ameriquist/Argent*	LML	151	73	168	62.3%	58.9%	38.7%	1.61	1.52
GE/WMC*	MIX	73	61	73	93.2%	95.1%	87.7%	1.06	1.08
Washington Mutual/Long Beach*	OTH	183	124	538	36.6%	52.4%	9.7%	3.79	5.42
National City/First Franklin*	OTH	87	51	193	60.9%	68.6%	31.1%	1.96	2.21
NetBank/Meritage*	OTH	52	57	63	65.4%	91.2%	33.3%	1.96	2.74
HSBC*	MIX	108	20	134	43.5%	40.0%	23.9%	1.82	1.68
Lehman/Finance America*	OTH	36	34	29	97.2%	88.2%	44.8%	2.17	1.97
Aegis*	LML	28	14	23	78.6%	78.6%	43.5%	1.81	1.81
Encore Credit Corp	LML	37	17	17	91.9%	94.1%	100.0%	0.92	0.94
Fieldstone Mortgage Co	LML	30	25	39	80.0%	92.0%	51.3%	1.56	1.79
Wells Fargo*	MIX	87	58	640	26.4%	19.0%	4.4%	6.04	4.33
Nation One Mortgage Co	LML	21	26	30	90.5%	88.5%	66.7%	1.36	1.33
Aames Funding Corp	LML	40	4	12	85.0%	100.0%	100.0%	0.85	1.00
SLM Financial Corp	LML	44	28	107	40.9%	46.4%	15.9%	2.57	2.92
SouthStar Funding	LML	22	8	14	95.5%	100.0%	100.0%	0.95	1.00
Sub-Total, Top 20 HAL Lenders		2,138	1,140	3,736	67.0%	65.2%	29.2%	2.29	2.23
Total, all 427 Lenders (150 HAL Lenders)		3,778	1,987	11,805	43.8%	42.7%	12.1%	3.62	3.52
B. The Seven Other Lenders with 500 or More Total Loans in Boston									
Bank of America	CRA	164	77	455	0.0%	1.3%	1.3%	0.00	0.98
GMAC*	MIX	74	29	451	9.5%	3.4%	2.2%	4.27	1.56
Citizens*	CRA	142	103	296	2.1%	0.0%	1.0%	2.08	0.00
Taylor, Bean & Whitaker	LML	45	22	461	0.0%	0.0%	0.0%	na	na
Summit Mortgage, LLC	LML	10	12	468	20.0%	16.7%	3.6%	5.51	4.59
Sovereign Bank	CRA	138	61	285	0.0%	0.0%	0.4%	0.00	0.00
Mortgage Master, Inc	LML	27	11	402	11.1%	9.1%	0.7%	14.89	12.18

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages.

Aegis: Aegis Funding Corp (49 loans; 92% HALs), Aegis Lending Corp. (49; 82%), and Aegis Wholesale Corp. (27; 19%)
 Ameriquist/Argent: Argent Mort (285; 69%), Ameriquist Mort (246 loans, 19% HALs), Town & Country Credit (27; 19%), & AMC Mort Svcs (1; 0%)
 Citizens: Citizens Mort (262 loans; 2% HALs), Citizens Bank of Mass (189 loans; 0%), CCO Mort (159; 1%); & Citizens Bank of RI (1; 0%).
 Countrywide: Countrywide Home Loans (1,789 loans; 14.4% HALs), Countrywide Bank (130; 5%), & Countrywide Mort Ventures (4; 0%).
 GE/WMC: WMC Mortgage Corp (260 loans; 91%; HALs) & GE Money Bank (1; 100%).
 GMAC: GMAC Bank (423 loans; 2% HALs), GMAC Mortgage (169; 0%), Homecomings Financial Network (83; 14%), & Ditech.com (6; 17%).
 H&R Block/Option One: Option One Mortgage (660 loans; 81% HALs) and H&R Block Mortgage (75; 64%).
 HSBC: HSBC Mort (120 loans; 2% HALs); Decision One (93; 82%), HFC (56; 14%), Beneficial Homeowner Svcs (26; 31%), & HSBC Mort Svcs (1; 100%).
 Lehman/Finance America: Finance America (60 loans; 98% HALs), Lehman Brothers Bank (36; 22%), & BNC Mort (26; 100%).
 National City/First Franklin: National City Bank, Indiana [dba: First Franklin Financial] (315 loans; 54% HALs) & National City Bank (68; 0%).
 NetBank/Meritage: Meritage Mortgage (124 loans; 96% HALs), NetBank (66; 0%), & Market Street Mortgage (1; 0%).
 New Century: New Century Mort (489 loans; 88% HALs) and Home123 Corp (1; 100%)
 Washington Mutual/Long Beach: Washington Mutual Bank (757 loans; 0% HALs) and Long Beach Mortgage (219; 93%).
 Wells Fargo: Wells Fargo Bank (891 loans; 6% HALs), Wells Fargo Financial, Mass (28; 46%) and Wells Fargo Funding (8; 0%)

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. **LML**: licensed mortgage lenders, mostly mortgage companies, potentially subject to state regulation. **OTH**: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation. **MIX**: lender families that include both LML and OTH lenders.

TABLE 8
BOSTON HOME-PURCHASE LOANS BY MAJOR TYPES OF LENDERS, 1990-2005 *

	1990	1992	1994	1996	1998	2000	2001	2002	2003	2004	2005
A. BIG BOSTON BANKS											
Number of Loans	541	911	1,849	1,954	1,429	876	751	860	790	736	695
% of All Loans	28.9%	38.6%	39.4%	34.8%	20.2%	11.7%	10.3%	10.9%	9.3%	8.5%	8.3%
B. OTHER MASS. BANKS AND CREDIT UNIONS											
Number of Loans	919	871	1,158	1,230	1,615	1,367	1,171	1,229	1,188	1,189	946
% of All Loans	49.1%	36.9%	24.7%	21.9%	22.8%	18.3%	16.1%	15.6%	14.0%	13.7%	11.4%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders after 1997)											
Number of Loans	410	580	1,690	2,439	3,746	4,736	4,765	5,213	5,545	5,752	5,196
% of All Loans	21.9%	24.6%	36.0%	43.4%	53.0%	63.4%	65.6%	66.0%	65.3%	66.4%	62.4%
D. SUBPRIME LENDERS #											
Number of Loans					280	488	573	600	963	981	1,493
% of All Loans					4.0%	6.5%	7.9%	7.6%	11.3%	11.3%	17.9%
E. TOTAL											
Number of Loans	1,870	2,362	4,697	5,623	7,070	7,467	7,260	7,902	8,486	8,658	8,330
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* **Important Note:** 2004 and later data are not strictly comparable to those for earlier years. Beginning in 2004, loans other than first-lien mortgages on owner-occupied homes are excluded. Previously, only second-lien loans under the SoftSecond Program were excluded.

Subprime lenders for 1998-2003 are from HUD's annual lists of subprime lenders. Subprime lenders for 2004 [2005] are those for whom high-APR loans constituted more than 15% [33.3%] of their total Massachusetts loans.

"Big Boston Banks": Citizens, Bank of America/Fleet, and Sovereign in 2004 & 2005. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, and Shawmut were included during the years they existed. In all cases, affiliated mortgage companies are included.

"Other Mass. Banks and Credit Unions": all other banks with Mass. branches, plus all affiliated mortgage companies, plus Mass.-chartered CUs.

"Mortgage Companies & Out-of-State Banks": all lenders not affiliated with Massachusetts banks or state-chartered credit unions.

For Massachusetts banks and credit unions (i. e., lenders in categories A & B), Boston-area performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA).

Boston-area lending by mortgage companies and out-of-state banks (categories C & D) is not subject to such evaluation under the CRA.

Source: Changing Patterns XIII, Table 6

Table 9

**Massachusetts Mortgage Lending in 2005 by Type of Lender & High-APR Status of Loan
(Home Purchase and Refinance Lending Only)**

Purpose	Lender Type [^]	All Loans	Loans without Rate Spread Info	High-APR Loans (HALs)	Percent HALs
A. Number of Loans					
Home-Purchase	CRA	28,847	28,437	410	1.4%
	LML	65,919	42,499	23,420	35.5%
	OSB	40,509	29,898	10,611	26.2%
	Sub-total	135,275	100,834	34,441	25.5%
Refinance	CRA	39,567	39,286	281	0.7%
	LML	83,279	60,573	22,706	27.3%
	OSB	53,705	46,545	7,160	13.3%
	Sub-total	176,551	146,404	30,147	17.1%
Total*	CRA	68,414	67,723	691	1.0%
	LML	149,198	103,072	46,126	30.9%
	OSB	94,214	76,443	17,771	18.9%
	Total	311,826	247,238	64,588	20.7%
B. Percentage of All Loans					
Home-Purchase	CRA	21.3%	28.2%	1.2%	
	LML	48.7%	42.1%	68.0%	
	OSB	29.9%	29.7%	30.8%	
Refinance	CRA	22.4%	26.8%	0.9%	
	LML	47.2%	41.4%	75.3%	
	Other	30.4%	31.8%	23.8%	
Total*	CRA	21.9%	27.4%	1.1%	
	LML	47.8%	41.7%	71.4%	
	OSB	30.2%	30.9%	27.5%	
C. Percentage of All Loans, Total: 2001-2005					
Total*		2001	2003	2004	2005
	CRA	37.0%	34.9%	25.5%	21.9%
	LML	24.2%	30.5%	41.0%	47.8%
	OSB	38.8%	34.6%	33.5%	30.2%

[^] CRA: Lenders whose MA lending is now covered by federal and/or state Community Reinvestment Act

LML: Licensed mortgage lenders, require license from MA Division of Banks -- mainly independent mortgage companies.

OSB: All other lenders -- almost all-out-of state banks without Massachusetts branches.

* "Total" here excludes home improvement loans and loans on multi-family properties (in 2003, these were 2.4% of total loans).

Sources: Home Mortgage Disclosure Act (HMDA) data from Federal Financial Institutions Examination Council.

Licensed mortgage lenders based on lists prepared by MA Division of Banks

Table 10
Lender Type[^] for the 20 Biggest Mortgage Lenders in Massachusetts, 2005
(Home Purchase and Refinance Lending Only)

A. All Loans

Rank	Lender Name	Lender Type [^]	Total Loans	HomePur Loans	Refinance Loans
1	COUNTRYWIDE HOME LOANS	LML	17,995	7,997	9,998
2	WELLS FARGO BANK, NA	OSB	10,909	6,588	4,321
3	OPTION ONE MORTGAGE CORP	LML	10,656	4,500	6,156
4	TAYLOR, BEAN & WHITAKER	LML	9,376	2,637	6,739
5	WASHINGTON MUTUAL BANK	OSB	9,028	2,463	6,565
6	BANK OF AMERICA, N.A.	CRA	8,937	4,406	4,531
7	SOVEREIGN BANK	CRA	7,628	2,390	5,238
8	NATIONAL CITY BANK OF INDIANA	OSB	6,701	3,925	2,776
9	FREMONT INVESTMENT & LOAN	OSB	6,346	3,773	2,573
10	NEW CENTURY MORTGAGE CORPORATI	LML	6,040	3,182	2,858
11	MORTGAGE MASTER, INC.	LML	5,973	2,352	3,621
12	AMERICAN HOME MORTGAGE CORP.	LML	5,062	2,468	2,594
13	FIRST HORIZON HOME LOAN CORP	OSB	5,000	1,821	3,179
14	GMAC BANK	OSB	4,827	1,685	3,142
15	AMERIQUEST MORTGAGE COMPANY	LML	4,590	314	4,276
16	JPMORGAN CHASE BANK	OSB	4,494	2,024	2,470
17	WMC MORTGAGE CORP.	LML	4,073	2,389	1,684
18	OHIO SAVINGS BANK	OSB	4,022	1,962	2,060
19	MORTGAGE NETWORK, INC.	LML	3,834	2,150	1,684
20	GMAC MORTGAGE CORPORATION	LML	3,791	1,509	2,282

CRA: 2 of top 20 lenders, including none of the top five.

OSB: 8 of top 20 lenders, including two of the top five.

LML: 10 of top 20 lenders, including three of the top five.

B. High-APR Loans (HALs)

Rank	Lender Name	Lender Type [^]	Total HALs	HomePur HALs	Refinance HALs
1	OPTION ONE MORTGAGE CORP	LML	8,520	3,765	4,755
2	FREMONT INVESTMENT & LOAN	OSB	5,648	3,340	2,308
3	NEW CENTURY MORTGAGE CORPORATI	LML	5,381	2,914	2,467
4	WMC MORTGAGE CORP.	LML	3,666	2,227	1,439
5	COUNTRYWIDE HOME LOANS	LML	3,014	1,495	1,519
6	NATIONAL CITY BANK OF INDIANA	OSB	2,989	2,342	647
7	LONG BEACH MORTGAGE CO.	OSB	2,412	1,742	670
8	ACCREDITED HOME LENDERS, INC	LML	2,266	1,503	763
9	ARGENT MORTGAGE COMPANY LLC	LML	2,019	1,792	227
10	DECISION ONE MORTGAGE	LML	1,446	730	716
11	ENCORE CREDIT CORP	LML	1,005	355	650
12	AMERIQUEST MORTGAGE COMPANY	LML	981	217	764
13	MORTGAGE LENDERS NETWORK USA	LML	973	505	468
14	SOUTHSTAR FUNDING	LML	942	743	199
15	NATION ONE MORTGAGE CO., INC.	LML	904	856	48
16	FIELDSTONE MORTGAGE COMPANY	LML	880	641	239
17	AMERICAN HOME MORTGAGE CORP.	LML	835	596	239
18	EQUIFIRST CORPORATION	LML	798	459	339
19	WELLS FARGO BANK, NA	OSB	753	308	445
20	H&R BLOCK MORTGAGE CORPORATION	LML	734	38	696

CRA: None of top 20 lenders, including none of the top five.

OSB: 4 of top 20 lenders, including one of the top five.

LML: 16 of top 20 lenders, including four of the top five.

[^] CRA: Lenders whose MA lending is now covered by federal and/or state Community Reinvestment Act

LML: Licensed mortgage lenders, require license from MA Div. of Banks -- mainly independent mortgage compani

OSB: All other lenders -- almost all-out-of state banks without Massachusetts branches.

Sources: Home Mortgage Disclosure Act (HMDA) data from Federal Financial Institutions Examination Council.

Licensed mortgage lenders based on lists prepared by MA Division of Banks

**TABLE 11
LENDING TO TRADITIONALLY UNDERSERVED BORROWERS AND NEIGHBORHOODS
BY MAJOR TYPES OF LENDERS, BOSTON HOME-PURCHASE LOANS, 2005**

I. AS SHARE OF THE LOANS MADE BY EACH TYPE OF LENDER

	Total Loans	Loans to Black Borrowers	Loans to Latino Borrowers	Loans to Only LOW-Income Borrowers	Loans to All LMI Borrowers	Loans in All LMI Census Tracts	Loans in LMI CTs >75% Blk+Latino
A. MASS. BANKS AND CREDIT UNIONS							
Number of Loans	1,641	227	141	104	549	871	212
% of Loans	100%	13.8%	8.6%	6.3%	33.5%	53.1%	12.9%
B. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)							
Number of Loans	5,196	308	260	101	841	2,460	344
% of Loans	100%	5.9%	5.0%	1.9%	16.2%	47.3%	6.6%
C. SUBPRIME LENDERS							
Number of Loans	1,493	530	318	11	140	1,083	466
% of Loans	100%	35.5%	21.3%	0.7%	9.4%	72.5%	31.2%
D. TOTAL							
Number of Loans	8,330	1,065	719	216	1,530	4,414	1,022
% of Loans	100%	12.8%	8.6%	2.6%	18.4%	53.0%	12.3%

II. AS SHARE OF EACH TYPE OF LOAN (MARKET SHARE)

	Total Loans	Loans to Black Borrowers	Loans to Latino Borrowers	Loans to Only LOW-Income Borrowers	Loans to All LMI Borrowers	Loans in All LMI Census Tracts	Loans in LMI CTs >75% Blk+Latino
A. MASS. BANKS AND CREDIT UNIONS							
Number of Loans	1,641	227	141	104	549	871	212
% of Loans	19.7%	21.3%	19.6%	48.1%	35.9%	19.7%	20.7%
B. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)							
Number of Loans	5,196	308	260	101	841	2,460	344
% of Loans	62.4%	28.9%	36.2%	46.8%	55.0%	55.7%	33.7%
C. SUBPRIME LENDERS							
Number of Loans	1,493	530	318	11	140	1,083	466
% of Loans	17.9%	49.8%	44.2%	5.1%	9.2%	24.5%	45.6%
D. TOTAL							
Number of Loans	8,330	1,065	719	216	1,530	4,414	1,022
% of Loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Includes only first-lien loans for owner-occupied homes.

"Mass. Banks and Credit Unions" includes all banks with branches in Mass., plus all affiliated mortgage companies; excludes federal CUs.

"Mortgage Companies and Out-of-State Banks": all lenders not affiliated with Massachusetts banks or Mass. state-chartered credit unions.

"Subprime Lenders" are those for whom high-APR loans made up more than one-third of total Massachusetts loans.

For Massachusetts banks and credit unions, Boston-area performance in meeting community credit needs is subject to evaluation by bank regulators under the state and/or federal Community Revestment Act (CRA). Boston-area lending by mortgage companies and out-of-state banks (categories B & C) is not subject to such evaluation under the CRA.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston metro district (MD) (<\$39K in 2005).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston Metropolitan District [MD] (<\$62K in 2005).

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MD (2000 Census data).

"LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census data).

Source: Changing Patterns XIII, Tables 8 & 9.

APPENDIX TABLE 1 [was Table 12 in Changing Patterns XIII] (page 1 of 3)
NUMBER OF HOME-PURCHASE LOANS TO BLACK AND LATINO BORROWERS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	Black Borrowers				Latino Borrowers				All with Race/Eth Information#			
	2003	2004	2005	Total	2003	2004	2005	Total	2003	2004	2005	Total
A. The 101 Cities and Towns in the Metropolitan Area Planning Council Region												
Acton	3	4	1	8	6	9	6	21	343	356	323	1,022
Arlington	8	5	5	18	12	11	9	32	581	548	583	1,712
Ashland	4	6	9	19	16	16	17	49	336	388	299	1,023
Bedford	2	1	0	3	0	3	0	3	132	154	124	410
Bellingham	1	5	5	11	5	5	10	20	300	288	324	912
Belmont	2	4	2	8	3	3	3	9	249	299	295	843
Beverly	4	3	3	10	8	12	11	31	491	554	468	1,513
Bolton	0	1	1	2	0	0	2	2	76	108	91	275
Boston	780	850	1,065	2,695	579	611	719	1,909	7,107	7,452	7,446	22,005
Boxborough	0	1	0	1	3	4	5	12	121	94	110	325
Braintree	0	9	6	15	7	7	13	27	457	542	455	1,454
Brookline	4	13	14	31	12	17	11	40	739	846	731	2,316
Burlington	2	3	4	9	5	8	7	20	238	243	190	671
Cambridge	19	16	27	62	20	17	31	68	909	940	1,044	2,893
Canton	16	8	21	45	1	2	11	14	266	306	336	908
Carlisle	0	0	0	0	1	2	0	3	50	64	79	193
Chelsea	10	11	14	35	173	171	203	547	390	436	420	1,246
Cohasset	1	1	0	2	0	0	2	2	114	122	98	334
Concord	0	1	2	3	2	2	4	8	181	161	192	534
Danvers	0	1	2	3	4	8	16	28	375	315	329	1,019
Dedham	15	21	17	53	20	11	25	56	318	341	339	998
Dover	0	1	0	1	0	2	0	2	65	92	80	237
Duxbury	2	1	1	4	1	2	1	4	182	204	194	580
Essex	0	1	0	1	0	0	0	0	40	38	38	116
Everett	36	41	75	152	101	135	198	434	425	392	512	1,329
Foxborough	4	4	2	10	5	3	2	10	210	205	187	602
Framingham	38	16	31	85	99	173	173	445	939	995	994	2,928
Franklin	7	6	6	19	7	4	8	19	591	511	457	1,559
Gloucester	0	0	0	0	0	6	11	17	378	317	323	1,018
Hamilton	0	0	0	0	0	0	0	0	77	95	74	246
Hanover	1	0	0	1	0	1	1	2	190	198	141	529
Hingham	0	2	1	3	6	4	4	14	340	365	311	1,016
Holbrook	15	17	19	51	6	6	15	27	187	170	164	521
Holliston	2	0	2	4	2	8	10	20	226	184	153	563
Hopkinton	0	2	0	2	3	7	5	15	212	264	242	718
Hudson	3	1	4	8	16	23	25	64	303	276	271	850
Hull	2	3	1	6	0	1	1	2	207	175	136	518
Ipswich	1	0	0	1	0	1	3	4	187	190	200	577
Lexington	2	0	1	3	2	5	1	8	310	391	349	1,050
Lincoln	2	0	0	2	3	0	0	3	64	61	51	176
Littleton	0	1	0	1	2	1	1	4	136	140	110	386

APPENDIX TABLE 1 [was Table 12 in Changing Patterns XIII] (page 2 of 3)
NUMBER OF HOME-PURCHASE LOANS TO BLACK AND LATINO BORROWERS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	Black Borrowers				Latino Borrowers				All with Race/Eth Information#			
	2003	2004	2005	Total	2003	2004	2005	Total	2003	2004	2005	Total
A. The 101 Cities and Towns in the MAPC Region (continued)												
Lynn	143	130	159	432	372	417	471	1,260	1,433	1,407	1,462	4,302
Lynnfield	0	0	1	1	1	2	2	5	171	135	147	453
Malden	50	85	106	241	66	105	122	293	646	687	815	2,148
Manchester-btS	0	0	0	0	1	0	0	1	53	67	67	187
Marblehead	1	1	0	2	1	2	3	6	296	365	308	969
Marlborough	12	15	12	39	48	110	99	257	659	632	590	1,881
Marshfield	0	2	2	4	4	6	2	12	423	411	317	1,151
Maynard	4	2	4	10	3	1	13	17	212	164	176	552
Medfield	0	0	2	2	2	2	4	8	173	153	141	467
Medford	40	44	56	140	22	31	71	124	601	618	675	1,894
Medway	1	1	5	7	2	7	6	15	232	186	172	590
Melrose	0	4	9	13	6	7	12	25	351	343	345	1,039
Middleton	0	1	0	1	2	1	1	4	105	102	153	360
Milford	11	10	7	28	22	59	53	134	422	500	385	1,307
Millis	0	0	1	1	4	3	1	8	146	138	107	391
Milton	48	40	70	158	2	9	19	30	334	367	394	1,095
Nahant	0	0	0	0	0	0	0	0	46	43	33	122
Natick	2	2	12	16	11	10	24	45	580	523	557	1,660
Needham	5	2	0	7	4	3	2	9	401	412	322	1,135
Newton	14	14	13	41	11	24	28	63	950	1,001	943	2,894
Norfolk	1	0	0	1	0	2	1	3	119	136	92	347
North Reading	1	3	1	5	0	0	3	3	262	204	185	651
Norwell	2	1	1	4	0	1	1	2	160	185	95	440
Norwood	7	6	12	25	6	12	9	27	250	313	347	910
Peabody	3	6	12	21	28	37	51	116	571	556	620	1,747
Pembroke	0	1	0	1	4	5	4	13	263	261	214	738
Quincy	23	29	39	91	17	31	53	101	1,209	1,139	1,241	3,589
Randolph	171	185	218	574	38	41	36	115	559	510	500	1,569
Reading	1	1	0	2	1	8	6	15	341	303	338	982
Revere	12	27	29	68	183	214	307	704	646	632	701	1,979
Rockland	2	1	4	7	1	10	7	18	296	239	245	780
Rockport	0	1	0	1	0	2	1	3	99	90	88	277
Salem	7	9	4	20	32	43	55	130	683	695	664	2,042
Saugus	6	9	12	27	19	29	42	90	358	364	376	1,098
Scituate	0	1	0	1	3	2	5	10	303	230	191	724
Sharon	8	9	10	27	1	5	1	7	195	230	243	668
Sherborn	0	0	0	0	1	1	0	2	62	61	53	176
Somerville	14	16	27	57	29	42	78	149	671	722	725	2,118
Southborough	3	3	2	8	5	6	4	15	156	188	140	484
Stonham	2	7	5	14	6	8	9	23	325	246	269	840
Stoughton	33	53	57	143	16	30	32	78	371	373	387	1,131

APPENDIX TABLE 1 [was Table 12 in Changing Patterns XIII] (page 3 of 3)
NUMBER OF HOME-PURCHASE LOANS TO BLACK AND LATINO BORROWERS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	Black Borrowers				Latino Borrowers				All with Race/Eth Information#			
	2003	2004	2005	Total	2003	2004	2005	Total	2003	2004	2005	Total
A. The 101 Cities and Towns in the MAPC Region (continued)												
Stow	0	0	0	0	4	3	5	12	116	114	101	331
Sudbury	0	1	0	1	4	2	1	7	293	280	211	784
Swampscott	2	0	4	6	6	9	6	21	229	239	201	669
Topsfield	1	0	3	4	0	1	0	1	67	66	76	209
Wakefield	1	4	4	9	8	6	7	21	341	345	317	1,003
Walpole	2	4	5	11	5	3	8	16	360	296	313	969
Waltham	11	20	27	58	34	33	54	121	617	576	676	1,869
Watertown	4	6	8	18	7	13	25	45	349	374	447	1,170
Wayland	0	3	1	4	0	3	7	10	181	191	159	531
Wellesley	1	3	1	5	1	5	7	13	304	369	308	981
Wenham	0	0	0	0	0	1	0	1	59	42	41	142
Weston	3	0	2	5	1	1	4	6	121	146	145	412
Westwood	0	2	1	3	0	2	2	4	186	164	159	509
Weymouth	11	19	9	39	16	14	37	67	1,039	785	741	2,565
Wilmington	0	3	5	8	1	5	7	13	292	252	264	808
Winchester	2	5	2	9	4	5	4	13	305	340	319	964
Winthrop	6	1	5	12	18	8	22	48	228	230	220	678
Woburn	5	7	18	30	6	17	26	49	457	393	415	1,265
Wrentham	2	2	4	8	2	2	4	8	165	173	147	485
MAPC Region	1,664	1,861	2,332	5,857	2,221	2,762	3,428	8,411	40,884	41,126	40,346	122,356
B. The Seven Other Massachusetts Cities with Population over 60,000												
Brockton	480	539	634	1,653	121	185	179	485	1,507	1,447	1,465	4,419
Fall River	33	28	35	96	37	38	37	112	774	748	745	2,267
Lawrence	60	39	48	147	596	610	612	1,818	967	930	893	2,790
Lowell	105	118	185	408	128	151	220	499	1,425	1,432	1,622	4,479
New Bedford	71	81	90	242	93	86	84	263	1,164	980	931	3,075
Springfield	312	312	399	1,023	559	516	607	1,682	2,135	1,967	2,137	6,239
Worcester	270	294	336	900	272	365	347	984	2,449	2,335	2,308	7,092

* Data for 2004 & 2005 are not strictly comparable to data for earlier years for two major reasons. First, these data include only first lien loans for owner occupied homes (thereby excluding 22.6% of the total Massachusetts home purchase loans in 2004, and 30.3% in 2005). Second, treatment of race and ethnicity in HMDA data changed in 2004. For details, see "Notes on Data and Methods."

Tables 12 & 13 include only loans for which the race/ethnicity of the borrower is reported in HMDA data. This information was not available for 8.4% of the first-lien, owner-occupied, home-purchase loans in Massachusetts in 2005. For total loans in each community, see Table 19.

APPENDIX TABLE 2 [was Table 13 in Changing Patterns XIII] (page 1 of 3)
PERCENT OF HOME-PURCHASE LOANS THAT WENT TO BLACKS & LATINOS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	% Black Households	Black Borrowers				% Latino Households	Latino Borrowers			
		2003	2004	2005	Total		2003	2004	2005	Total
A. The 101 Cities and Towns in the Metropolitan Area Planning Council Region										
Acton	0.7%	0.9%	1.1%	0.3%	0.8%	1.3%	1.7%	2.5%	1.9%	2.1%
Arlington	1.6%	1.4%	0.9%	0.9%	1.1%	1.3%	2.1%	2.0%	1.5%	1.9%
Ashland	1.8%	1.2%	1.5%	3.0%	1.9%	2.4%	4.8%	4.1%	5.7%	4.8%
Bedford	1.6%	1.5%	0.6%	0.0%	0.7%	1.3%	0.0%	1.9%	0.0%	0.7%
Bellingham	0.9%	0.3%	1.7%	1.5%	1.2%	0.8%	1.7%	1.7%	3.1%	2.2%
Belmont	0.9%	0.8%	1.3%	0.7%	0.9%	1.3%	1.2%	1.0%	1.0%	1.1%
Beverly	1.0%	0.8%	0.5%	0.6%	0.7%	1.3%	1.6%	2.2%	2.4%	2.0%
Bolton	0.1%	0.0%	0.9%	1.1%	0.7%	0.6%	0.0%	0.0%	2.2%	0.7%
Boston	21.4%	11.0%	11.4%	14.3%	12.2%	10.8%	8.1%	8.2%	9.7%	8.7%
Boxborough	0.7%	0.0%	1.1%	0.0%	0.3%	0.9%	2.5%	4.3%	4.5%	3.7%
Braintree	1.0%	0.0%	1.7%	1.3%	1.0%	0.9%	1.5%	1.3%	2.9%	1.9%
Brookline	2.4%	0.5%	1.5%	1.9%	1.3%	2.8%	1.6%	2.0%	1.5%	1.7%
Burlington	1.4%	0.8%	1.2%	2.1%	1.3%	0.9%	2.1%	3.3%	3.7%	3.0%
Cambridge	10.5%	2.1%	1.7%	2.6%	2.1%	5.2%	2.2%	1.8%	3.0%	2.4%
Canton	2.5%	6.0%	2.6%	6.3%	5.0%	1.0%	0.4%	0.7%	3.3%	1.5%
Carlisle	0.2%	0.0%	0.0%	0.0%	0.0%	1.1%	2.0%	3.1%	0.0%	1.6%
Chelsea	6.0%	2.6%	2.5%	3.3%	2.8%	37.7%	44.4%	39.2%	48.3%	43.9%
Cohasset	0.1%	0.9%	0.8%	0.0%	0.6%	0.3%	0.0%	0.0%	2.0%	0.6%
Concord	0.7%	0.0%	0.6%	1.0%	0.6%	0.8%	1.1%	1.2%	2.1%	1.5%
Danvers	0.3%	0.0%	0.3%	0.6%	0.3%	0.5%	1.1%	2.5%	4.9%	2.7%
Dedham	1.0%	4.7%	6.2%	5.0%	5.3%	1.4%	6.3%	3.2%	7.4%	5.6%
Dover	0.2%	0.0%	1.1%	0.0%	0.4%	0.9%	0.0%	2.2%	0.0%	0.8%
Duxbury	0.7%	1.1%	0.5%	0.5%	0.7%	0.5%	0.5%	1.0%	0.5%	0.7%
Essex	0.1%	0.0%	2.6%	0.0%	0.9%	0.5%	0.0%	0.0%	0.0%	0.0%
Everett	5.4%	8.5%	10.5%	14.6%	11.4%	6.4%	23.8%	34.4%	38.7%	32.7%
Foxborough	0.7%	1.9%	2.0%	1.1%	1.7%	0.7%	2.4%	1.5%	1.1%	1.7%
Framingham	4.2%	4.0%	1.6%	3.1%	2.9%	7.8%	10.5%	17.4%	17.4%	15.2%
Franklin	1.0%	1.2%	1.2%	1.3%	1.2%	0.7%	1.2%	0.8%	1.8%	1.2%
Gloucester	0.5%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	1.9%	3.4%	1.7%
Hamilton	0.3%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
Hanover	0.5%	0.5%	0.0%	0.0%	0.2%	0.5%	0.0%	0.5%	0.7%	0.4%
Hingham	0.4%	0.0%	0.5%	0.3%	0.3%	0.5%	1.8%	1.1%	1.3%	1.4%
Holbrook	3.7%	8.0%	10.0%	11.6%	9.8%	1.7%	3.2%	3.5%	9.1%	5.2%
Holliston	0.9%	0.9%	0.0%	1.3%	0.7%	1.0%	0.9%	4.3%	6.5%	3.6%
Hopkinton	0.6%	0.0%	0.8%	0.0%	0.3%	0.7%	1.4%	2.7%	2.1%	2.1%
Hudson	1.0%	1.0%	0.4%	1.5%	0.9%	2.1%	5.3%	8.3%	9.2%	7.5%
Hull	0.3%	1.0%	1.7%	0.7%	1.2%	0.6%	0.0%	0.6%	0.7%	0.4%
Ipswich	0.3%	0.5%	0.0%	0.0%	0.2%	0.8%	0.0%	0.5%	1.5%	0.7%
Lexington	1.1%	0.6%	0.0%	0.3%	0.3%	1.0%	0.6%	1.3%	0.3%	0.8%
Lincoln	4.5%	3.1%	0.0%	0.0%	1.1%	2.2%	4.7%	0.0%	0.0%	1.7%
Littleton	0.5%	0.0%	0.7%	0.0%	0.3%	0.6%	1.5%	0.7%	0.9%	1.0%

APPENDIX TABLE 2 [was Table 13 in Changing Patterns XIII] (page 2 of 3)
PERCENT OF HOME-PURCHASE LOANS THAT WENT TO BLACKS & LATINOS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	% Black Households	Black Borrowers				% Latino Households	Latino Borrowers			
		2003	2004	2005	Total		2003	2004	2005	Total
A. The 101 Cities and Towns in the MAPC Region (continued)										
Lynn	9.0%	10.0%	9.2%	10.9%	10.0%	13.2%	26.0%	29.6%	32.2%	29.3%
Lynnfield	0.4%	0.0%	0.0%	0.7%	0.2%	0.5%	0.6%	1.5%	1.4%	1.1%
Malden	7.4%	7.7%	12.4%	13.0%	11.2%	3.6%	10.2%	15.3%	15.0%	13.6%
Manchester-btS	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	1.9%	0.0%	0.0%	0.5%
Marblehead	0.5%	0.3%	0.3%	0.0%	0.2%	0.5%	0.3%	0.5%	1.0%	0.6%
Marlborough	2.0%	1.8%	2.4%	2.0%	2.1%	3.9%	7.3%	17.4%	16.8%	13.7%
Marshfield	0.5%	0.0%	0.5%	0.6%	0.3%	0.4%	0.9%	1.5%	0.6%	1.0%
Maynard	0.8%	1.9%	1.2%	2.3%	1.8%	1.9%	1.4%	0.6%	7.4%	3.1%
Medfield	0.6%	0.0%	0.0%	1.4%	0.4%	0.5%	1.2%	1.3%	2.8%	1.7%
Medford	5.4%	6.7%	7.1%	8.3%	7.4%	1.7%	3.7%	5.0%	10.5%	6.5%
Medway	0.5%	0.4%	0.5%	2.9%	1.2%	0.6%	0.9%	3.8%	3.5%	2.5%
Melrose	1.0%	0.0%	1.2%	2.6%	1.3%	0.9%	1.7%	2.0%	3.5%	2.4%
Middleton	0.3%	0.0%	1.0%	0.0%	0.3%	0.3%	1.9%	1.0%	0.7%	1.1%
Milford	1.3%	2.6%	2.0%	1.8%	2.1%	3.3%	5.2%	11.8%	13.8%	10.3%
Millis	0.6%	0.0%	0.0%	0.9%	0.3%	0.8%	2.7%	2.2%	0.9%	2.0%
Milton	9.3%	14.4%	10.9%	17.8%	14.4%	1.0%	0.6%	2.5%	4.8%	2.7%
Nahant	0.3%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%
Natick	1.6%	0.3%	0.4%	2.2%	1.0%	1.4%	1.9%	1.9%	4.3%	2.7%
Needham	0.6%	1.2%	0.5%	0.0%	0.6%	0.8%	1.0%	0.7%	0.6%	0.8%
Newton	1.4%	1.5%	1.4%	1.4%	1.4%	1.6%	1.2%	2.4%	3.0%	2.2%
Norfolk	0.4%	0.8%	0.0%	0.0%	0.3%	0.6%	0.0%	1.5%	1.1%	0.9%
North Reading	0.5%	0.4%	1.5%	0.5%	0.8%	0.5%	0.0%	0.0%	1.6%	0.5%
Norwell	0.5%	1.3%	0.5%	1.1%	0.9%	0.4%	0.0%	0.5%	1.1%	0.5%
Norwood	2.0%	2.8%	1.9%	3.5%	2.7%	1.2%	2.4%	3.8%	2.6%	3.0%
Peabody	0.8%	0.5%	1.1%	1.9%	1.2%	2.6%	4.9%	6.7%	8.2%	6.6%
Pembroke	0.5%	0.0%	0.4%	0.0%	0.1%	0.4%	1.5%	1.9%	1.9%	1.8%
Quincy	2.2%	1.9%	2.5%	3.1%	2.5%	1.6%	1.4%	2.7%	4.3%	2.8%
Randolph	18.7%	30.6%	36.3%	43.6%	36.6%	2.4%	6.8%	8.0%	7.2%	7.3%
Reading	0.4%	0.3%	0.3%	0.0%	0.2%	0.6%	0.3%	2.6%	1.8%	1.5%
Revere	2.6%	1.9%	4.3%	4.1%	3.4%	6.3%	28.3%	33.9%	43.8%	35.6%
Rockland	1.8%	0.7%	0.4%	1.6%	0.9%	0.7%	0.3%	4.2%	2.9%	2.3%
Rockport	0.2%	0.0%	1.1%	0.0%	0.4%	0.6%	0.0%	2.2%	1.1%	1.1%
Salem	2.1%	1.0%	1.3%	0.6%	1.0%	7.4%	4.7%	6.2%	8.3%	6.4%
Saugus	0.4%	1.7%	2.5%	3.2%	2.5%	0.6%	5.3%	8.0%	11.2%	8.2%
Scituate	0.4%	0.0%	0.4%	0.0%	0.1%	0.4%	1.0%	0.9%	2.6%	1.4%
Sharon	3.1%	4.1%	3.9%	4.1%	4.0%	0.7%	0.5%	2.2%	0.4%	1.0%
Sherborn	0.5%	0.0%	0.0%	0.0%	0.0%	0.7%	1.6%	1.6%	0.0%	1.1%
Somerville	5.4%	2.1%	2.2%	3.7%	2.7%	5.7%	4.3%	5.8%	10.8%	7.0%
Southborough	0.7%	1.9%	1.6%	1.4%	1.7%	0.7%	3.2%	3.2%	2.9%	3.1%
Stoneham	0.8%	0.6%	2.8%	1.9%	1.7%	1.4%	1.8%	3.3%	3.3%	2.7%
Stoughton	5.4%	8.9%	14.2%	14.7%	12.6%	1.1%	4.3%	8.0%	8.3%	6.9%

APPENDIX TABLE 2 [was Table 13 in Changing Patterns XIII] (page 3 of 3)
PERCENT OF HOME-PURCHASE LOANS* THAT WENT TO BLACKS & LATINOS
IN THE 101 CITIES & TOWNS IN THE MAPC REGION AND IN THE 7 LARGEST
MASSACHUSETTS CITIES OUTSIDE THIS REGION, 2003-2005 *

City/Town	% Black Households	Black Borrowers				% Latino Households	Latino Borrowers			
		2003	2004	2005	Total		2003	2004	2005	Total
A. The 101 Cities and Towns in the MAPC Region (continued)										
Stow	0.4%	0.0%	0.0%	0.0%	0.0%	1.2%	3.4%	2.6%	5.0%	3.6%
Sudbury	0.8%	0.0%	0.4%	0.0%	0.1%	0.8%	1.4%	0.7%	0.5%	0.9%
Swampscott	0.8%	0.9%	0.0%	2.0%	0.9%	0.8%	2.6%	3.8%	3.0%	3.1%
Topsfield	0.2%	1.5%	0.0%	3.9%	1.9%	0.6%	0.0%	1.5%	0.0%	0.5%
Wakefield	0.5%	0.3%	1.2%	1.3%	0.9%	0.6%	2.3%	1.7%	2.2%	2.1%
Walpole	0.4%	0.6%	1.4%	1.6%	1.1%	0.6%	1.4%	1.0%	2.6%	1.7%
Waltham	3.6%	1.8%	3.5%	4.0%	3.1%	5.9%	5.5%	5.7%	8.0%	6.5%
Watertown	1.3%	1.1%	1.6%	1.8%	1.5%	2.0%	2.0%	3.5%	5.6%	3.8%
Wayland	0.7%	0.0%	1.6%	0.6%	0.8%	0.8%	0.0%	1.6%	4.4%	1.9%
Wellesley	1.1%	0.3%	0.8%	0.3%	0.5%	1.3%	0.3%	1.4%	2.3%	1.3%
Wenham	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	2.4%	0.0%	0.7%
Weston	0.8%	2.5%	0.0%	1.4%	1.2%	1.3%	0.8%	0.7%	2.8%	1.5%
Westwood	0.5%	0.0%	1.2%	0.6%	0.6%	0.6%	0.0%	1.2%	1.3%	0.8%
Weymouth	1.5%	1.1%	2.4%	1.2%	1.5%	1.1%	1.5%	1.8%	5.0%	2.6%
Wilmington	0.4%	0.0%	1.2%	1.9%	1.0%	0.6%	0.3%	2.0%	2.7%	1.6%
Winchester	0.8%	0.7%	1.5%	0.6%	0.9%	0.7%	1.3%	1.5%	1.3%	1.3%
Winthrop	1.5%	2.6%	0.4%	2.3%	1.8%	2.0%	7.9%	3.5%	10.0%	7.1%
Woburn	1.6%	1.1%	1.8%	4.3%	2.4%	2.4%	1.3%	4.3%	6.3%	3.9%
Wrentham	0.4%	1.2%	1.2%	2.7%	1.6%	0.6%	1.2%	1.2%	2.7%	1.6%
MAPC Region	6.6%	4.1%	4.5%	5.8%	4.8%	4.7%	5.4%	6.7%	8.5%	6.9%
B. The Seven Other Massachusetts Cities with Population over 60,000										
Brockton	16.9%	31.9%	37.2%	43.3%	37.4%	6.4%	8.0%	12.8%	12.2%	11.0%
Fall River	2.1%	4.3%	3.7%	4.7%	4.2%	2.3%	4.8%	5.1%	5.0%	4.9%
Lawrence	2.0%	6.2%	4.2%	5.4%	5.3%	50.6%	61.6%	65.6%	68.5%	65.2%
Lowell	3.4%	7.4%	8.2%	11.4%	9.1%	11.4%	9.0%	10.5%	13.6%	11.1%
New Bedford	4.5%	6.1%	8.3%	9.7%	7.9%	7.4%	8.0%	8.8%	9.0%	8.6%
Springfield	19.4%	14.6%	15.9%	18.7%	16.4%	21.8%	26.2%	26.2%	28.4%	27.0%
Worcester	5.9%	11.0%	12.6%	14.6%	12.7%	11.8%	11.1%	15.6%	15.0%	13.9%

* Data for 2004 & 2005 are not strictly comparable to data for earlier years for two major reasons. First, these data include only first lien loans for owner occupied homes (thereby excluding 22.6% of the total Massachusetts home purchase loans in 2004, and 30.3% in 2005). Second, treatment of race and ethnicity in HMDA data changed in 2004. For details, see "Notes on Data and Methods."

Tables 12 & 13 include only loans for which the race/ethnicity of the borrower is reported in HMDA data. This information was not available for 8.4% of the first-lien, owner-occupied, home-purchase loans in Massachusetts in 2005. For total loans in each community, see Table 19.